

November 18, 2005

The Honorable Robert L. Ehrlich, Jr.
Governor of Maryland
State House
Annapolis, Maryland 21401

Dear Governor Ehrlich:

This letter outlines the fiscal requests that Baltimore City is making for inclusion in the State's fiscal 2007 budget. Baltimore City is improving the quality of education, becoming a safer place to live, creating jobs, and improving neighborhoods. State investment in the City not only benefits the City but also the entire Baltimore region and the State.

Baltimore City is requesting state funding for the programs listed below to continue this progress. Your support of these requests as part of the fiscal 2007 budget will be greatly appreciated. The improvement in state revenues provides an opportunity to enhance on-going progress.

Education

School Construction

The report of the Task Force on Public School Facilities indicated the schools in Baltimore City will require \$570 million to bring the schools up to standard. The capital needs for school construction throughout the State are critical. Baltimore City joins with other jurisdictions in requesting that school construction be funded at \$400 million in the fiscal 2007 capital budget. The large state fund balance anticipated at the end of the current fiscal year permits this level of funding for school construction.

Baltimore City Board of School Commissioners, Chief Executive Officer, Bonnie Copeland and I are requesting \$100 million to support our schools' capital needs. This funding is necessary to make immediate systemic improvements in our school facilities such as roof replacements, boiler replacements and new windows.

In addition, I am requesting a \$10 million increase in the aging school program for local school systems with older facilities, beyond the statutory requirement of \$12.1 million. Additional funding will help local school systems address pressing school maintenance needs in their aging infrastructure without having to provide matching funds.

Thornton Program

Full funding of the Thornton program in fiscal 2007 consistent with the statutory phase-in is particularly important for Baltimore City due to the City's limited fiscal capacity and the large number of students with special needs. Baltimore City requests that the geographic cost of education index be included in this funding in the fiscal 2007 budget.

Public Safety

State's Attorney's Office

Baltimore City requests that the state grant for the Baltimore City State's Attorney's Office be funded at \$1,985,000. This grant provides funding for prosecutors handling cases involving guns and murders.

Special Grants

Baltimore City requests that the three state grants to the Baltimore City Police Department (foot patrol, community policing and violent crime) be restored to the total amount received in fiscal 2004 (\$7,300,000). This requires an increase of \$682,000 more than the amount received in fiscal 2006.

The Baltimore City Fire Department receives a grant from the Maryland Department of Transportation (MDOT) to provide fire suppression services for the Port of Baltimore. This grant has not been increased since 1983 and in fact was reduced in last year's budget. Baltimore City requests that this grant be funded at \$1,671,000, an increase of \$439,023 more than the amount received in fiscal 2006. This amount restores the reduction of \$167,993 that was made in fiscal 2006 and provides the appropriate State support necessary to fund essential services at the Port.

Health & Social Programs

Family & Elderly

Maryland's improving economy and better revenue outlook provide the opportunity to develop priorities for restoration of program funding in social programs reduced in the past three legislative sessions. Baltimore City believes the following programs must have high priority for restoration:

After School Program in Subcabinet Fund – restore to fiscal 2003 level of \$10 million.

Child Care – reduction of \$25 million resulted in a large waiting list of children eligible for services. In Baltimore City, 3,163 children were on the waiting list for child care as of January 1, 2005. There are over 18,000 children statewide on the waiting list.

Family Support Centers – reductions caused two centers in Baltimore City to close in 2003.

Elderly Programs - reductions of \$695,000 in federal funds based on 2000 census data should be mitigated by including Baltimore City in the hold harmless provisions that apply to the rural counties. Budget language provided \$52, 770 in fiscal 2006 to offset this reduction and is mandated in fiscal 2007. The request to Secretary Roesser asked that this amount be increased to \$100,000.

Drug Treatment

Baltimore City requests that funds allocated for substance abuse programs in Baltimore City be increased by \$5.0 million to reduce the waiting lists that exist for some treatment services. This additional state funding would be used for residential treatment at the Gaudenzia facility (\$1.5 million), to provide services to parents whose children are in foster care (\$1.7 million), and expand treatment programs for former inmates (\$1.8 million)

HIV/AIDS

Baltimore City requests that \$1.0 million in additional state funds be allocated for HIV/AIDS programs in Baltimore City to increase the number of individuals receiving counseling and treatment from the Ujima project using a mobile van.

Economic Development

Westside Revitalization

Baltimore City requests \$6.0 million in state capital funds to continue the progress in the Westside Revitalization area. This funding will be used for acquisitions in the “superblock” area of Westside—critical for the successful completion of this project. The requested amount would restore \$1 million that was reduced during the 2005 session.

The City has executed Exclusive Negotiating Priorities with Lexington Square Developers, LLC/Next Generation Chera, LLC; and with LibertyPark LLC/ French Development Company, Inc. for development of Superblock properties south of Lexington Street. The City is negotiating property transaction options with The Harry and Jeanette Weinberg Foundation for development of Superblock properties north of Lexington Street.

East Baltimore Development

Baltimore City requests \$8.0 million in state capital funds for infrastructure improvements in the East Baltimore Biotechnology Park. The requested amount would restore the \$1 million that was reduced during the 2005 session and include an additional \$2 million to support the critical infrastructure needs for this development. A long term state funding commitment is essential for this project.

In December 2004, EBDI announced the selection of Forest City Enterprises as the lead developer for the first phase of the 80-acre, mixed-use new East Baltimore community. The Forest City team will develop the first 30 acres which will include:

- 1 million square feet of life sciences and office space
- 850 mixed-income residential units
- 41,000 square feet of retail amenities; and
- 2,300 structured parking spaces

Job Creation

Baltimore City is requesting funds for three job training and placement programs.

Summer Jobs - \$2.0 million for summer employment to provide work skills for approximately 2,000 middle and high school students in Baltimore City.

Job Training and Placement - \$3.0 million for job training and placement assistance for high school drop outs to support two comprehensive youth service centers, one on the east side and the other on the west side of Baltimore City.

Jobs for Former Inmates - \$500,000 for the re-entry employment center in northwest Baltimore City to assist approximately 1,800 former inmates in finding employment.

Community and Neighborhood Development

The City is in active discussions with Secretary Hoskins on a number of community development projects including: Uplands, Claremont Homes, O'Donnell Heights, Cherry Hill Homes, Barclay-Greenmount West, Park Heights and Poppleton—one of two inaugural “Priority Places”. State investment in acquisition, demolition and affordable housing will improve these neighborhoods and spur private investment. The total request to Secretary Hoskins amounts to \$52.7 million. We support multi-year state funding for these requests.

If you have any particular concerns regarding any of these requests, I am willing to meet with you to discuss these requests in greater detail.

Sincerely,

Mayor

MO'M/WR:tm

cc: The Honorable Nathaniel J. McFadden
 The Honorable Salima Siler Marriott
 The Honorable Talmadge Branch
 Cecilia Januszkiewicz, Secretary of Budget and Management
 Jeanne D. Hitchcock, Deputy Mayor